GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2948
ANSWERED ON:16.03.2001
COLLECTION BY NON-BANKING COMPANIES
GADDAM GANGA REDDY

Will the Minister of FINANCE be pleased to state:

(a) whether some major non-banking financial institutions and residuary Non-Banking Companies have started a scheme of daily collection from the investors;

(b) if so, the details thereof alongwith the names of these companies;

(c) whether these companies have been permitted to adopt the scheme which specifically belong to the banking sector; and

(d) if so, the reasons therefor ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) & (b) :- Reserve Bank of India (RBI) has reported that it has been observed that some of the Non-Banking Financial Companies (NBFCs)/Residuary Non Banking Companies (RNBCs) had collected deposits under the scheme of daily collection from the investors. The list of companies as collected from Regional Offices of RBI which had collected deposits under the scheme of daily collection is given in the Annexure.

(c) & (d) :- NBFCs which fulfil prescribed criterion are permitted to accept public deposits by RBI. However, RBI has put in place regulatory and supervisory mechanism for protection of depositors` interests. This inter alia, includes the rate of interest payable on deposits, minimum and maximum period of deposits, quantum of deposits etc.

ANNEXURE

LIST OF COMPANIES COLLECTING DAILY DEPOSITS

Name of Regnl Office	Name of the NBFC/RNBC	Amount of deposits (Rs. in lakh)	As on 30.9.2000
Bangalore	Ennoble India Savings & Investment Co. Ltd	Rs. 103.62	31.3.2000
Calcutta	Peerless General Finance & Investment Ltd.	Rs. 2355	
Chennai	Sinnamani Leasing Company Ltd.	Rs. 41.80	since repaid
-do-	Syed Shariat Finance Co. Ltd.	Rs. 84.87	
Guwahati	Jai Savings Hire Purchase Co. (I) Ltd.	Rs. 78.72	
- do -	Panchratna Finance & Investment Ltd.	Rs. 554.04	
Hyderabad	Asra India Savings & Investment Ltd.	Rs. 38.94	28.10.2000
Jaipur	Yogeshwar Savings & Hire Purchase (I) Ltd	Rs. 0.65	31.12.2000
- do -	Sanklecha Capfin Ltd.	Rs. 10.30	31.01.2001
Kanpur	Sahara India Financial Corporation Ltd.	Rs. 110223.04	
Patna	Janam Kundali Savings & Investment Co. Ltd.	Rs. 19.44	
- do -	Helios Finance & Investment Ltd. (Application for Certificate of Registration is rejected)	Rs. 3226.00	31.03.97
- do -	Standard Savings & Investment Co. Ltd. (Application for Certificate of Registration is rejected)	Rs. 500.00	31.3.1995
Thiru`puram	Assalam Financial Investment Co. Pvt. Ltd. (Registered as `A` category)	Rs. 4.95	
- do -	Baithul Islam Fin & Investment (India) Pvt.Ltd. (Registered as `A` category)	Rs. 1.65	
- do -	Baithul Islam Finance & Investment Pvt. Ltd. (Application for Certificate of Registration is rejected)	Rs. 13.00	